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ANNUAL REPORT TO STOCKHOLDERS



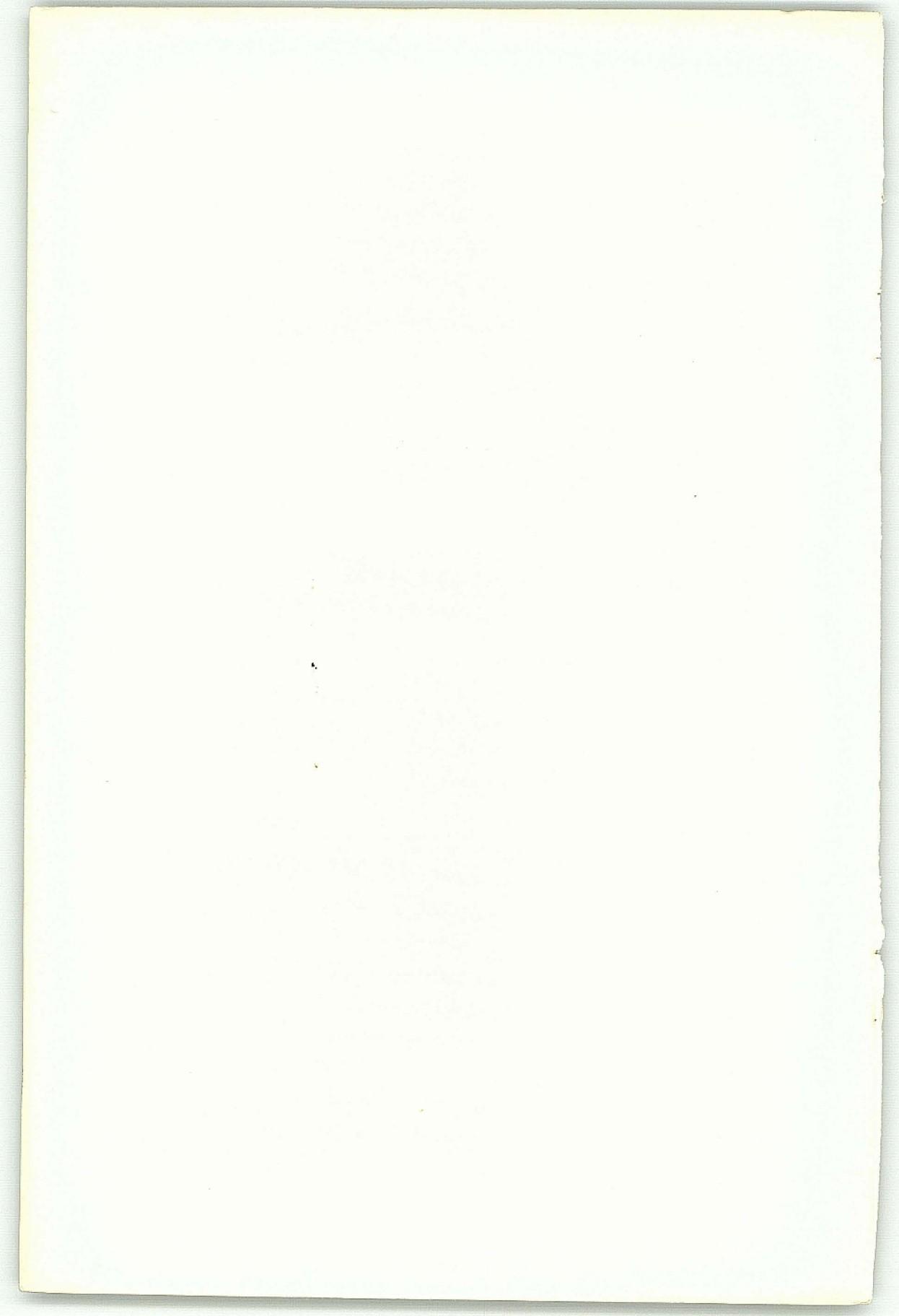
1942

THE COCA-COLA COMPANY
WILMINGTON, DELAWARE

BOARDS

\$24.18

06421



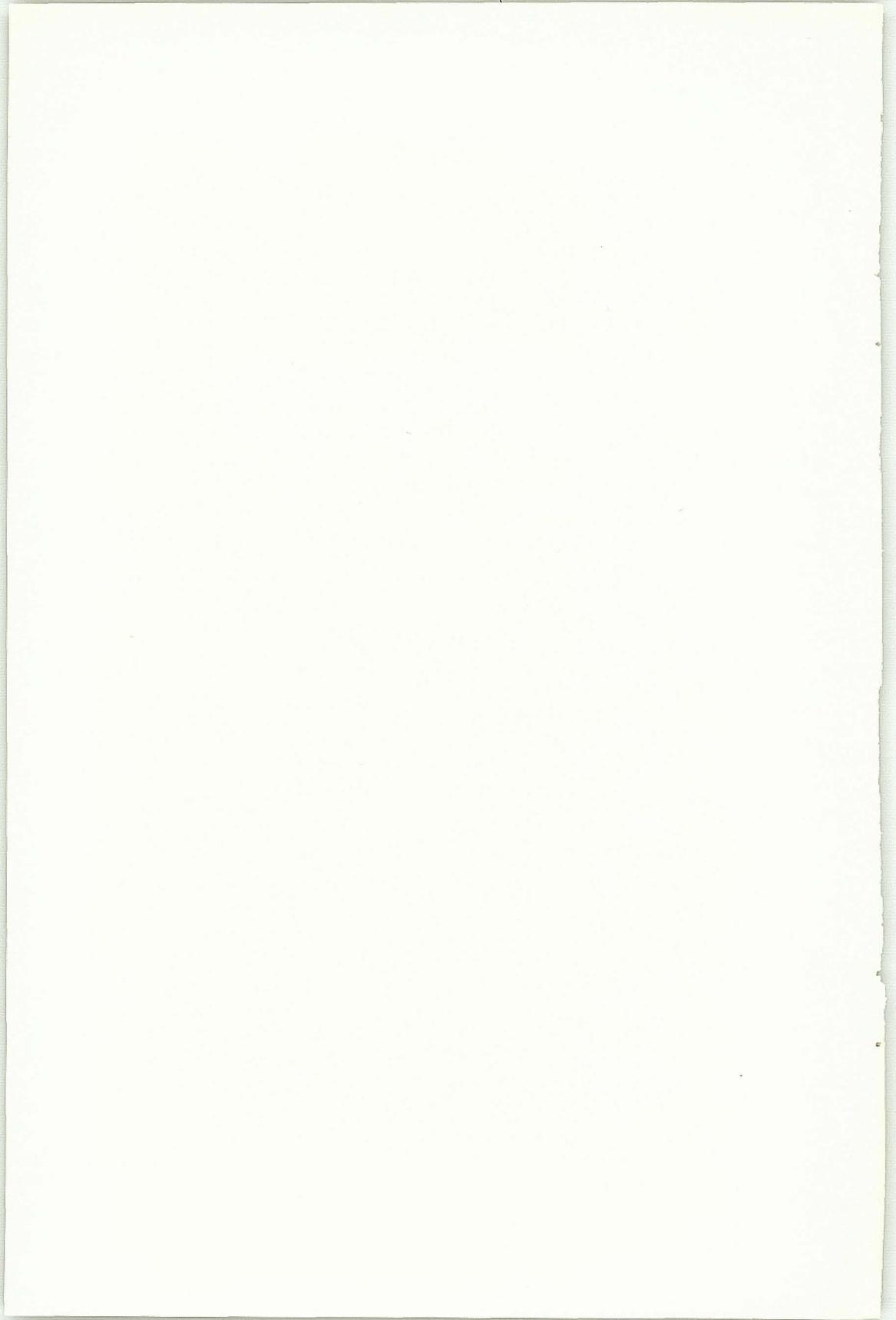
ANNUAL REPORT

THE COCA-COLA COMPANY AND ITS SUBSIDIARIES

*

FOR THE YEAR
1942

The annual meeting of the stockholders will be held on Monday, May 3, 1943. A formal notice of this meeting, together with proxy and proxy statement, will be mailed to each common stockholder on or about April 10, 1943, at which time proxies will be solicited by the management.



THE COCA-COLA COMPANY

WILMINGTON, DELAWARE

TO THE STOCKHOLDERS OF THE COCA-COLA COMPANY:

We submit herewith the consolidated balance sheet and statement of operations for 1942. Net earnings applicable to common stock after provision for income and profits taxes of \$27,260,000 and for Class "A" dividends, reserves and all charges, were \$21,467,445.83.

During this first full year of operations under governmental limitations on production, inventories decreased and manufacturing costs rose. Procurement of raw materials became more difficult and distribution facilities were curtailed. The maintenance of personnel became an increasing problem as large numbers of employees joined the armed forces.

The Coosa River Ordnance Plant, being operated by our subsidiary, The Brecon Loading Company, has been in production throughout the year. Since the close of the year that company has received the Army and Navy "E" Production Award for "high achievement in the production of war materials."

While the major portion of our investment in countries held by the enemy has been charged off, the volume of our business in other countries continued to expand and facilities in friendly overseas territories have contributed to making Coca-Cola widely available to our fighting forces.

In this third war in the lifetime of Coca-Cola, the Company has cooperated wholeheartedly in the Government's policy of controlling the use of basic raw materials. Looking forward to a time when emergency restrictions will no longer be imposed, the management is confident that the public acceptance of Coca-Cola is being sustained and strengthened.

Respectfully submitted,

A. A. ACKLIN,
President.

HARRISON JONES,
Chairman Board of Directors.

CONSOLIDATED
THE COCA-COLA COMPANY AND I
December

ASSETS

CURRENT:

Cash on deposit and on call	\$18,895,016.72
Government securities—at cost:	
United States and Canadian—(Market value \$15,624,507.66)	15,631,968.17
Accounts receivable—trade (less reserve of \$42,277.23)	6,396,464.18
Inventory—merchandise including sugar stored in bonded warehouses (Priced at lower of cost or market)	26,136,646.22
	\$ 67,060,095.29

INVESTMENTS IN AND ADVANCES TO FOREIGN SUBSIDIARIES NOT CONSOLIDATED—Net

1,575,286.19

OTHER INVESTMENTS AND OTHER ASSETS:

Securities of affiliated domestic companies not consolidated—at cost	\$ 64,500.00
Accounts due from affiliated domestic companies not consolidated	4,986.90
Other security investments—at cost (Market value \$1,543,708.75)	591,484.44
Other receivables and miscellaneous—(including estimated post-war refund of excess profits taxes \$962,000.00)	3,919,852.63
	4,580,823.97

PROPERTY, PLANT AND EQUIPMENT—At cost:

Land	\$ 2,568,071.14
Buildings	16,201,246.05
Machinery and equipment	13,932,681.63
Containers	4,570,668.84
	\$37,272,667.66
Less reserves for depreciation	8,923,024.16
	28,349,643.50

FORMULAE, TRADE-MARK AND GOODWILL—

At cost	37,126,972.49
DEFERRED CHARGES	1,831,024.61
	\$140,523,846.05

NOTE—Assets of foreign subsidiaries consolidated in this balance sheet consist of net current \$6,602,883.10, property, plant and equipment at depreciated cost, \$4,398,171.12, and other assets \$928,707.67. Fixed assets are stated at rates of exchange prevailing at dates of acquisition, and net current and all other assets at rates of exchange prevailing at December 31, 1942. Earned surplus includes \$10,217,061.04 accumulated earnings of foreign subsidiaries consolidated herein.

BALANCE SHEET
TS CONSOLIDATED SUBSIDIARIES
31, 1942

LIABILITIES

CURRENT:

Accounts payable	\$ 4,841,323.40
Accrued expenses	107,622.61
Accrued taxes—including income, excess profits and capital stock taxes .	<u>29,223,216.36</u> \$ 34,172,162.37

RESERVE:

For contingencies and miscellaneous operations	17,942,289.85
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CAPITAL STOCK:

Class "A"—no par value:

\$3.00 preference dividend cumulative, callable at \$52.50 per share.

Authorized and originally

issued . . . 1,000,000 shares

Less retired . . . 400,000 shares

Issued and outstanding . . . 600,000 shares \$ 3,000,000.00

Common—no par value:

Authorized and

issued . . . 4,000,000 shares 25,000,000.00

\$28,000,000.00

SURPLUS—Earned 60,725,668.83
\$88,725,668.83

Less 4,800 shares of common stock owned by Company—At cost 316,275.00 88,409,393.83

\$140,523,846.05

CONSOLIDATED PROFIT AND LOSS STATEMENT
THE COCA-COLA COMPANY AND ITS CONSOLIDATED SUBSIDIARIES
Year Ended December 31, 1942

GROSS PROFIT	\$78,205,962.17
EXPENSES	
Selling, administrative and general	25,726,944.95
OPERATING PROFIT	\$52,479,017.22
Other deductions	\$3,546,092.45
Less: Other income	1,594,521.06
PROFIT BEFORE TAXES ON INCOME	\$50,527,445.83
Provision for taxes on income—estimated	27,260,000.00
NET PROFIT	<u>\$23,267,445.83</u>

NOTE A—Provision for depreciation of \$1,881,025.68 was charged to manufacturing and other expenses. Other deductions include interest paid \$12,203.31; investments in and advances to foreign subsidiaries and branches charged off \$1,404,367.29; and \$1,139,920.24 for additions to the reserve for contingencies and miscellaneous operations.

NOTE B—Provision for taxes on income includes \$11,710,000.00 estimated excess profits taxes against which an estimated post-war credit of \$962,000.00 is refundable to the Company in non-negotiable, non-interest bearing United States Government bonds payable after the war, which amount is reflected in the balance sheet of the Company under Other Investments and Other Assets and a like amount has been added to the reserve for contingencies and miscellaneous operations.

NOTE C—Net earnings of foreign subsidiaries consolidated herein and included in net profit shown above are \$1,374,381.49 in excess of dividends received from such foreign subsidiaries during the year.

CONSOLIDATED SURPLUS ACCOUNT

Balance—December 31, 1941	\$55,239,473.00
Net profit for the year ended December 31, 1942	23,267,445.83
<u>\$78,506,918.83</u>	

DEDUCTIONS

Dividends paid in cash:

CLASS "A":

June 30, 1942—\$1.50 per share	\$ 900,000.00
Dec. 14, 1942—\$1.50 per share	<u>900,000.00</u> \$ 1,800,000.00

COMMON:

Mar. 31, 1942—\$.75 per share	\$ 3,000,000.00
June 30, 1942—\$.75 per share	3,000,000.00
Sept. 30, 1942—\$.75 per share	3,000,000.00
Dec. 14, 1942—\$.75 per share	
plus \$1.00 per share extra	<u>7,000,000.00</u>
	<u>\$16,000,000.00</u>

Less dividends on 4,800 shares of common stock owned by Company during year 18,750.00 15,981,250.00

TOTAL DIVIDENDS PAID 17,781,250.00

SURPLUS—DECEMBER 31, 1942 \$60,725,668.83

ERNST & ERNST
ACCOUNTANTS AND AUDITORS
SYSTEM SERVICE

TO THE BOARD OF DIRECTORS
THE COCA-COLA COMPANY
Wilmington, Delaware

We have examined the consolidated balance sheet of THE COCA-COLA COMPANY and its consolidated subsidiaries as of December 31, 1942, and the related consolidated statements of profit and loss and surplus for the year then ended, have reviewed the system of internal control and the accounting procedures of the company and its domestic subsidiaries and, without making a detailed audit of the transactions, have examined or tested accounting records of these companies and other supporting evidence by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

Statements as of December 31, 1942, for subsidiaries in Canada and Cuba, and as of November 30, 1942, for other foreign subsidiaries consolidated herein, were furnished us as certified by other independent auditors. Subsidiaries in foreign countries other than in the Western Hemisphere have been excluded from the consolidated financial statements and are stated in the balance sheet in the amount of the investments in and advances to such subsidiaries less net losses absorbed in prior years. During the year the principal investments in and advances to subsidiaries located in enemy occupied countries were charged off.

In our opinion, based upon our examination, and the statements of foreign subsidiaries consolidated, above referred to, the accompanying balance sheet and related statements of profit and loss and surplus present fairly the position of THE COCA-COLA COMPANY and its consolidated subsidiaries at December 31, 1942, and the consolidated results of their operations for the year, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

ERNST & ERNST.

March 6, 1943.

THE COCA-COLA COMPANY

BOARD OF DIRECTORS

HARRISON JONES, *Chairman*

A. A. ACKLIN	EDWARD FINLAY	E. W. STETSON
W. C. BRADLEY	T. K. GLENN	W. C. TEAGLE
C. H. CANDLER	J. N. GODDARD	D. A. TURNER
W. C. D'ARCY	J. P. ILLGES	C. A. WICKERSHAM
S. C. DOBBS	WINSHIP NUNNALLY	GEO. W. WOODRUFF
MRS. L. P. EVANS	C. J. ROOT	R. W. WOODRUFF

EXECUTIVE COMMITTEE

R. W. WOODRUFF, *Chairman*

W. C. BRADLEY	W. C. D'ARCY	C. A. WICKERSHAM
C. H. CANDLER	T. K. GLENN	GEO. W. WOODRUFF
	E. W. STETSON	

W. C. BRADLEY—*Chairman Advisory Committee*

OFFICERS

A. A. ACKLIN	President
RALPH HAYES	Vice-President
W. P. HEATH	Vice-President
WM. J. HOBBS	Vice-President
W. N. COCHRAN	Vice-President
HAROLD S. SHARP	Vice-President
FELIX W. COSTE	Vice-President
B. NEAL HARRIS	Vice-President
T. CARL THOMPSON	Vice-President
HOMER B. THOMPSON	Vice-President
S. F. BOYKIN	Vice-President and Treasurer
GEORGE T. ADAMS	Vice-President and Secretary

GENERAL COUNSEL

SPALDING, SIBLEY, TROUTMAN AND BROCK

TRANSFER AGENTS

WILMINGTON TRUST COMPANY
Wilmington, Delaware

GUARANTY TRUST COMPANY OF NEW YORK
New York, N. Y.

REGISTRARS

EQUITABLE TRUST COMPANY
Wilmington, Delaware

CHASE NATIONAL BANK
New York, N. Y.

